



State of Delaware  
Clean Water Advisory Council  
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## **Minutes of the 90<sup>th</sup> Meeting**

**April 22, 2009**

The Delaware Clean Water Advisory Council met Wednesday, April 22, 2009 at 9:00 a.m., at the Kent County Administrative Complex, Conference Room 220, 555 Bay Road, Dover, Delaware.

### **MEMBERS PRESENT:**

Joe Corrado, Chair  
Jeffrey Bross, Vice-Chair  
Kevin Anderson  
Lee Beetschen  
Andy Burger  
Gary Burcham  
Eugene Dvornick  
Andy Manus  
Hans Medlarz  
Chris O'Keefe  
Robert Stickels

### **OTHERS PRESENT WERE:**

Terry Deputy, Division of Water Resources  
Daisy Lopez, Division of Water Resources  
Davison Mwale, Division of Water Resources  
Frank Paquette, Division of Water Resources  
Reza Moqtaderi, Division of Water Resources  
Greg Pope, Division of Water Resources  
Frank Piorko, Division of Soil and Water Conservation  
Mike Cotton, ECI  
Kevin Donnelly, New Castle Conservation District  
Larry Irelan, New Castle Conservation District  
Dan String, Green Stone Engineering  
Ryan Flickinger, KCI  
Kathy Weldon, Division of Water Resources  
Ed Lewandowski, CIB  
Stu Lindner, Artesian  
John Ashman, Sussex County  
Jon Husband, New Castle County  
Ken Branner, Artesian  
Brian Kelly, Division of Soil and Water

Jim Sullivan, SWC  
Jen Campagnini, DNREC/Office of the Secretary  
Dodge Lodge, Office of Drinking Water  
Dennis O'Shea, DelDOT  
Rodney Wyate, Artesian  
Joshua Gliptis, Davis, Bowen and Friedel  
Hugo Dreibelbis, DelDOT  
Sarah Cooksey, Division of Coastal Programs  
Jennifer Mihills, Delaware Nature Society  
Anne Gryeson, Safe Haven

### **CALL TO ORDER**

The meeting came to order at 9:30 a.m. following the Public Hearing for the FY 2010 Project Priority List and 2009 Intended Use Plan – Supplemental.

### **APPROVAL OF THE AGENDA**

Motion made by Mr. Dvornick and seconded by Mr. Burger to approve the agenda. Agenda approved unanimously.

### **APPROVAL OF MINUTES – Council Meeting held on March 18, 2009**

Motion made by Mr. Burger and seconded by Mr. Burcham to approve the meeting minutes. Motion passed unanimously.

### **APPROVAL OF MINUES – Public Hearing held on March 18, 2009**

Motion made by Mr. Burger and seconded by Mr. O’Keefe to approve the minutes for the Public Hearing held on March 18. Motion passes unanimously.

### **ADMINISTRATORS’ REPORTS**

#### **A. CWSRF Project Status Update**

City of Seaford Lift Station upgrade and expansion is 85% complete and is ahead of schedule with the completion date scheduled for June 20; Town of Delmar Wastewater Treatment Plant Upgrade and BNR/ENR project has been bided on successfully and the Town is awaiting approval for the bid award; Sussex County Angola Neck Sanitary Sewer District design is in the final stages, bidding is schedule for May 2009; City of Wilmington Combined Sewer Overflow Real Time Control project was awarded an EPA Grant on March 4. The plans and specifications for the City’s project are under review.

#### **B. CWSRF Financial Reports and CWSRF Cash Flow Model**

The Bond Bill Hearing for DNREC is scheduled for April 30. The Council Chairman is invited to request the State Match for the Clean Water State Revolving Fund Federal Capitalization Grant. There is \$845,702 currently available in existing State Match funds. \$3.2 million is expected to be received for the FY 09 CWSRF Capitalization Grant, requiring a \$654,860 State Match. Historically \$1.0 million is requested for the CWSRF Program State Match. The Federal CWSRF program may be re-authorized in FY 2010 and a larger than normal federal capitalization grant may be offered to States.

\$406 million in total estimated project requests were received during the 2010 Notice-of-Intent project solicitation for the CWSRF program. Of the total funding requests received, \$213 million in project request were estimated to be construction ready. Through a combination of funding sources approximately \$93 million in project requests may be funded by December 30, 2009. The possible funding sources for the projects are: \$49 million is existing CWSRF funding; \$25 million is possible USDA co-funding; and \$18.4 million is in ARRA projects that must be funded by February 17, 2010. Municipal loan applications have been requested and are due within 30 days; however, most are due no later than May 8, 2009.

The following summarized Financial Report was presented to the Council for the month ending March 2009:

			(Millions of \$)	
			Obligation of Funds	Disbursement of Funds
<b>Actuals Through March, 2009</b>				
<b>Source of Funds</b>				
	Cap. Grants + State Match - Admin		\$ 152.4	\$ 152.4
	SRF Loan Repayments		\$ 52.4	\$ 52.4
	Investment Interest		\$ 8.6	\$ 8.6
			<b>\$ 213.4</b>	<b>\$ 213.4</b>
<b>Total Approved Loan Dollars:</b>				
	42 Municipal Loans		\$ 181.3	\$ 167.5
	NPS Loans		\$ 3.7	\$ 3.7
			<b>\$ 185.0</b>	<b>\$ 171.2</b>
<b>Balance Available for Loans</b>			<b>\$ 28.4</b>	<b>\$ 42.2</b>
<b>Projected April, 2009 through June, 2010</b>				
<b>Source of Funds</b>				
	Pending FY09 Continuous Resolution		\$ 3.2	\$ 3.2
	Pending FY10 Stimulus Grant		\$ 18.5	\$ 18.5
	Pending FY10 Cap. Grant + State Match		\$ 3.8	\$ 3.8
	SRF Loan Repayments		\$ 13.7	\$ 13.7
	Investment Interest		\$ 1.3	\$ 1.3
			<b>\$ 40.5</b>	<b>\$ 40.5</b>
<b>Loan Dollars</b>				
	Municipal Loans		\$ 61.5	\$ 19.6
	NPS Loans		\$ 1.6	\$ 1.6
			<b>\$ 63.1</b>	<b>\$ 21.2</b>
<b>Balance Available for Loans</b>			<b>\$ (22.6)</b>	<b>\$ 19.3</b>
<b>Cumulative</b>			<b>\$ 5.8</b>	<b>\$ 61.5</b>

Mr. Deputy discussed the difference between obligated funds and disbursed funds from a cash flow perspective. On average, municipal wastewater projects take at least 2 years to complete construction. Obligated funds reflects the money committed to wastewater projects while disbursed funds represent actual money that has been spent for projects. The difference is the cash flow opportunity to fund additional projects, given new funding and loan repayments.

There was a discussion on loaning 100% of the Federal and State Investment and repayments monies. It was stated that part of the revolving fund is to loan out the money as soon as possible and to collect the repayments as soon as possible. Mr. Deputy stated that at the next Council meeting, the cash flow model will clearly show the financial impact of funding a proposed project on the ability of the Fund to finance additional projects.

21<sup>st</sup> Century Fund report was presented for the month ending March 2009. In the Infrastructure Planning Account there is \$0; in the Wastewater Management Account there are \$1.5 million; in the Clean Water State Match there is \$845,702 for a total available balance of \$2.37 million.

#### C. Surface Water Update

Within the previous 2 years there has been a request for \$2.5 million for Surface Water projects from the Council to the Bond Bill Committee. No appropriations have been awarded within those 2 years. There was no discussion with the previous CWAC Chair to make a request for this year.

Legislators recently approved a reversion of funding for \$2.3 million from the 21<sup>st</sup> Century drainage fund; \$1.0 million from FY 09 Appropriation awarded to DNREC from the Bond Bill Committee and \$1.3 million in Under-funded project amounts that were recommended by New Castle, Kent, and Sussex Counties as requested by DNREC and the Budget Office. It will be left to the Council to decide if a request will be made for this year.

The Chairman stated that he would like to have a list of projects that need funding before he goes in front of the Bond Bill Committee. Mr. Piorko will provide the list to the Chairman.

Mr. Piorko and Mr. Deputy met to discuss Clean Water projects eligible for Federal GI money that want to expand its loans to other projects. It was asked if there is a ranking criterion for those projects. The Surface Water committee will be developing a criteria similar to the one used for the Wastewater Planning Grant.

### SUBCOMMITTEES' REPORTS

#### **A. Wastewater**

Wastewater committee did not meet and has no directives from the Council but has one self generated to come up with Drivers for Water Reuse in Delaware. They have been tracking in Maryland which has completed a workshop on their program. They are one subcommittee member short and welcome any new members to join the committee. Gene Dvornick volunteers to be on this Subcommittee.

#### **B. Surface Water Management**

The Surface Water Management Subcommittee met recently with the principle purpose of developing and approving the ranking criteria for Community Water Quality Improvement Grants. This topic will be discussed under New Business.

It was suggested that the number of points by category be changed on the worksheet; in item #1 Meets Program Goals and Priorities reduce the available points from 40 to 35 and transfer the additional 5 points to item #4 Technical Merit. Those points will go from 20 to 25.

In a previous Council meeting, the Council recommended \$500,000 annually in grant money from the Non-Federal Administrative Account for projects. Due to Budgetary issues the Council has been asked by the Budget Office to hold off on soliciting RFPs until August. The Surface Water subcommittee recommended that the Council have a provision that allows them to limit grants at a fund of \$100,000 and make governmental entities eligible.

#### **C. Public Outreach**

Due to expired terms staffing and other personal commitments, the Public Outreach subcommittee has been inactive during the last quarter. However, there are potential topics for the next newsletter that should be highlighted. Topics that should be highlighted at in the next newsletter include:

- Activities regarding the Amendment to the Intended Use Plan
- The American Recovery and Reinvestment Act for green projects
- A Wastewater project
- Profile the new Council members

It was also suggested that a Press Release be done for the Wastewater funding numbers and the GI funding numbers.

#### **D. Finance**

No meeting held, but with some of the financial issues discussed in today's meeting, a meeting needs to be scheduled.

#### **OLD BUSINESS**

##### **CWAC Planning Session Discussion**

A CWAC Planning Session will be scheduled and will include discussions in Vision and Mission; Critical Discussion Topics; Background Research and Data; and Goals, Strategies, Objective, Tactics and Performance Measures. Mr. Deputy and Mr. Corrado will pick a date for the Planning Session.

Mr. Corrado stated that he would like to discuss the following at the Planning Session:

1. Do a Reassessment of all Wastewater Projects – the goal is to have 100% Reuse of treated wastewater into a beneficial reuse and to achieve this goal reassessment will need to be done for all treatment plants.
2. The Council needs to recognize that water is a precious commodity and as a Clean Water Council they will do their part to regenerate water supply.
3. Look into Beneficial Reuse for Industrial Uses - the City of Wilmington plant discharges approximately 90 million gallons of water a day from their plant. Develop communication with the industry along the Delaware River to see if the City can discharge some of their treated water into the Delaware River's processors.
4. Develop communication between Delaware Economic Development and the State.

Since 1995, the accomplishments of the Council have not been done in other states and Delaware has received much Kudos from EPA. The main focus of the planning session will be to explore a different focus.

#### **NEW BUSINESS**

##### **Community Water Quality Improvement Grants**

In FY 2010, \$500,000 will be made available in grants for Community Water Quality Implementation projects from the CWSRF Non-Federal Administrative Account. Grants will be used in Delaware's developed landscape to improve water quality in impaired watersheds with established TMDLs.

Stormwater retrofits, quality controlled citizen monitoring, stream and wetland restoration, and other Non-Point Source Water Pollution control projects not currently feasible for funding through the Clean Water State Revolving fund program will be considered for funding.

On July 1, 2009 there will be an issuance of an RFP; also in July there will be a Grant Informational Workshop; on August 15 proposals will be due to the DNREC Financial Assistance Branch office; and on September 15 grant awards will be announced and recipients will be notified.

Mr. Bross stated that OMB requested that the issuance of the RFP be postponed until August 1st. As stated in the Surface Water Subcommittee report the subcommittee recommended changes to the Ranking Worksheet.

Motion made by Mr. Medlarz and seconded by Mr. Burger to approve with a change to exclude qualified SRF projects from applying for this grant money and to also include the limitation of a grant to \$100,000 at the Council's discretion. Motion passed unanimously.

### **Wastewater Facility Planning Matching Grants and Short-Term Planning and Design Loans**

Wastewater Facility Planning Matching Grants and Short-Term Planning & Design are set asides in the CWSRF Non-Federal Administrative Account. \$150,000 per year is set aside for Wastewater Facility Planning Matching Grants and \$2.0 million is set aside for the Short-term Planning and Design loans.

Programs are designed to assist municipalities and county wastewater utilities to prepare wastewater projects for funding through the WPCRLF. Wastewater Facility Planning Matching Grants are limited to \$25,000 annually and will require state match; \$100,000 in Annual Planning & Design Loan limit will require 0% interest rate; and \$125,000 in combined with planning grant and Loan limit will require no additional match.

Wastewater Facility Planning Matching grants can be used to update general, long-range, and regional wastewater facility plans. Planning and Design loans must be used for a specific wastewater project on a CWSRF PPL. If both programs are used, the project must be on a Clean Water State Revolving fund PPL. Planning and Design loans will require a resolution to borrow by the governing body for the full amount of the proposed WPCRLF project loan.

After the loan has been closed, the Planning and Design will be refinanced with the interest rate and term of the new loan. If a planning and design loan has been received and the project remains on the PPL for more than a year, the loan will become immediately due and payable.

There was a suggestion and discussion that any planning that is done needs to be presented to the Council for their review since they are going to be overseers of funding and wastewater projects. There was also discussion among the Council that they need to increase the planning grant amounts for municipalities and that if municipalities bring 50% match, the Council would perhaps offer to fund the project.

In the interest of time and due to the conversions of opinions, a motion was made to defer this discussion and include on the agenda for the Planning session.

Motion made by Mr. Bross to table this item, seconded by Mr. Burger. Motion passed unanimously.

### **City of Harrington – Project Assistance Request**

The City of Harrington Wastewater Treatment Plant (WWTP) effluent is discharged into the Browns Branch which is a tributary of the Murderkill River. Point-source discharges into the Murderkill River watershed was updated in March of 2005.

This project proposes to abandon the Plant and install a force main from a pump station to the Kent County WWTP with the connection point being at the intersection of Tub Mill Pond road and Rt. 1 North of Milford. The City of Harrington will enter into a Contract User Agreement with the County for wastewater treatment.

After technical review of the proposed project; it was established that a Public Notification of the Finding of No Significant Impact (FONSI) is necessary. The documents for the FONSI are currently being processed.

Total project cost is estimated at \$6.76 million which includes other sources of funding from the STAG Grant, 21<sup>st</sup> Century grant, USDA Loan/Grant, and a WPCRF loan. There are 1,095 residential sewer connections in the City of Harrington, Farmington, and out-of-town areas served by the system commercial and industrial usage accounts for 35% of the total wastewater treated. The total annual cost after completion for the O, M, & R and Debt Service costs will be \$1.0 million.

The loan will be secured by a General Obligation bond and the interest rate for the loan will be 2.0% if under contract by December 30, 2009. The existing 2006 WPCRF loan of \$600,000 will retain the 2.7% interest rate.

Based on the sound financial status of the City and the positive environmental impact of the project, the Financial Assistance Branch recommends that the Council approve a binding commitment for a loan in the amount of \$2.59 million from the WPCRLF.

It was stated that this project was made possible because Kent County waived all impact fees. It was made possible through the ordinance and laws of the County when the City of Milford stated that they desire to have a bypass and that an 18 inch portion could function as part of the environmental background through the City of Milford, that allowed the Kent County Levy Court to waive the impact fees for this project.

Motion made by Mr. Manus, seconded by Mr. Dvornick and Mr. Burger to approve funding for this project. Motion passed with the majority of votes. Mr. Medlarz could not vote due to his involvement with this project.

### **GREEN PROJECT RESERVE OVERVIEW CRITERIA**

Mr. Manus requested that the Green Project Reserve Overview Ranking Criteria and Selected projects be added under New Business so the Council can take action on it.

Motion made by Mr. Manus to have the Green Project Reserve pre-proposal projects ranked 1 through 10 go to full proposal. Motion seconded by Mr. Burger.

Mr. Bross and Mr. Beetschen will not be voting on the motion due to conflict.

Mr. Beetschen suggested that they move down to project number 12.

Motion made by Mr. Stickels and seconded by Mr. Dvornick to move project number 11 to 12 and move project number 12 to 11. Both projects have the same ranking score. Motion passed with majority of votes. Mr. Medlarz could not vote due to a conflict.

Motion made by Mr. Manus, seconded by Mr. Burger to accept the Green Initiative projects from 1 through 11. Motion passed with the majority of votes.

Mr. Medlarz, Mr. Bross, and Mr. Beetschen abstained from voting.



**PUBLIC COMMENT**

None

**GOOD OF THE COUNCIL**

Mr. Corrado recognized Mayor Branner from Middletown for his involvement in doing a wonderful job with wastewater and discharge to spray irrigation for the Town of Middletown.

**ADJOURNMENT**

Next meeting will be held on June 24, 2009 at Kent County Administrative Complex, 555 Bay Road, Dover in Conference Room 220 beginning at 9:00 am.

Motion made to adjourn the meeting. Motion passed unanimously. Meeting adjourned at 10:55 am.